

04/10/96

12:06

910 741 4606

RJR-SALES EXEC. +--+ 1300 PHIL.

008/009



April 9, 1996

D. P. FITZGERALD
Area Manager - Operations
North East Sales Area

P. O. Box 2959
401 N. Main Street
Winston-Salem, NC 27102
910-741-2053

Mark Young

Subject: Subjobber Task Force Meeting Follow-Up

Per our discussion, attached you will find some notes/ideas from our recent Subjobber Task Force Meeting.

It was very apparent to everyone that the Region had done a great job getting our D.P.C. into the subjobbers, now our challenge is to figure out how to get them into lower volume retail outlets that our Reps. aren't calling on. In order for us to achieve this goal, it is obvious we are going to need to get out of the box and develop some non-traditional approaches.

I would appreciate you providing the information attached to the K.A.M.'s and A.M.'s responsible for the Region's subjobbers. Please challenge them to develop some out of the box ideas to achieve our objective, or fully develop one of the attached ideas into a program.

Thanks for all of your hospitality during our recent visit.

Don

c: Mike Buckler
Scott Steen
Richard Cross

96057DF/dl

4/19/96
Copy to:
Moulton
PEREZ
EROLL
MALARDI
ADDESSI
GROSSBERG
McHugh
MITCHELL
MANEY
RICHARDS
O'CONNOR

As information
Mark

51847 7442

SUBJOBBER TASK FORCE MEETING NOTES

OBJECTIVE: To develop a program to incite subjobbers to assist RJR in selling our products and promotions to low volume retail outlets that our Reps. do not call on.

- Overall consensus was that a financial based performance program would not work. These accounts do little to nothing in terms of actual selling, and function more like order takers, filling orders from retailers they service. Past experience with offering a per carton payment program proved to be ineffective.
- Other possible options to achieve objective:
 - Develop a "Telemarketing Program" for subjobbers that currently do no selling from their warehouse. RJR could offer to train a part-time person for the subjobber, and even cost-share the weekly pay for the employee. In return, the Telemarketer would be required to offer RJR's promotion to every account called, along with other items they are attempting to sell.
 - Provide subjobbers with invoices used to bill their retail outlets. RJR would pay the cost of these invoices as long as the subjobber allowed RJR to include a description of our promotions on the invoice.
 - Utilize RJR personnel (probably Part-time) to Telemarket our promotions to lower volume retail outlets. We would need to secure an account list from the subjobber, which RJR might need to pay for. A list of promotional displays sold would then be provided to the subjobber for delivery or pick-up by the retailer.
 - Develop a contract to pay subjobbers for displaying one or more of our promotional shippers on their primary sales counter. The promotional shippers could be housed in a plastic cube to minimize pilferage concerns. Would only apply to subjobbers with a sales counter and walk-in traffic.